



July 17, 2002

Dear Mr. Spinner,

Thank you for your letter of June 10, 2002, in which you refer to the Commission's duties to calculate projected market prices for generation and invite Dominion Virginia Power to participate in informal discussion on this general topic.

On July 1, 2002, Dominion Virginia Power filed its market price proposal for calendar year 2003 in compliance with Ordering paragraph five of the Commission's Final Order in Case No. PUE-2001-00306, dated November 19, 2001.

The Company's market price proposal follows the methodology previously approved by the Commission, except that one internet-based data source approved for use in the method has been excluded because that trading platform has closed and data is no longer available from that source. The Company believes this methodology is reasonable and is consistent with the intent of § 56-583.A. of the Virginia Code. The Company sees no need for any changes in this approved methodology at this time.

Representatives of the Company will be attending the July 24, 2002 stakeholders meeting.

If you have any questions, please contact Mr. Paul Haynes at 771-3064.

Sincerely,

**Original Signed By**

David F. Koogler  
Director, Regulation and Competition